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CENTRAL INTELLIGENCE GROUP

INTELLIGENCE REPORT

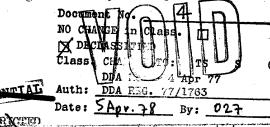
This document is hereby regraded in the CONFIDENTIAL Bell by Popular fice with the Chipping of Central Interval Archivist of Central Interval to the 25X1X6 CONFIDENTIAL DATE: COUNTRY China SUBJECT Economic Information: Corporation, North China Archivist of Cer 3 January 1947 25X1A6a ed Stales. SUPPLEMENT Da's: 2008 25X1X6

ORIGIN

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Comment: Previous reports present a different set of figures for the number of spindles and looms in operation at the seven mills controlled by the China Textile Development Corporation. Subsequent investigation of Mo. 1 cotton mill indicated that the figures previously reported were low for that mill, and therefore the higher total figures given below are probably more accurate.)

- 1. All seven of the mills controlled by the China Textile Development Corporation will be in full operation by the end of October. In accordance with an order received from the main office at Shanghai, the lientsin branch office has selected 17 capable staff members to send into the various cotton-growing districts for the purpose of purchasing raw cotton. Since the re-adjustment of the official U.S. dollar exchange rate has caused a marked drop in the importation of sotton from the United States, the C.T.D.C. has been instructed to purchase more cotton from the local markets. Furthermore, the catton harvest in North China is very good this year. The 17 staff members will receive one week of special training before leaving, with the exception of 9 members who have already been sent to Peiping, Tangshan (118-11, 39-38), Paoting (115-29,38-52), and Shihohiachuang (114-28,38-02).
- 2. The seven mills of C.T.D.C. are faced with a shortage of coal and electric power. Coal shortage is the most serious problem because the Kailan Mining Administration is supplying only 6,000 tons monthly although the original agreement called for 8,000 tons. According to plan, when all seven mills are in full operation they will require 12,000 tons monthly. Negotiations are still being made with KUA, and in the meantime C.T.D.C. is making every effort to purchase coal on the local murket.
- 3. Up until 2 October there were 287,298 spindles operating in all seven mills during the day shift and 262,570 during the night shift. During this same time there were, 7,682 looms operating on the day shift and 7,337 on the night shift. By the end of October it is expected that there will be a total of 323,848 syindles and 8,727 looms operating on both day and night shifts



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